

SUMMARY ANALYSIS OF AMENDED BILL

Author: Ducheny

Analyst: Colin Stevens

Bill Number: AB 80

Related Bills: See prior analyses Telephone: 845-3036 Amended Date: 6/3/97

Attorney: Doug Bramhall

Sponsor:

SUBJECT: Substandard Housing Includes Occupied and Unoccupied Dwellings/Prohibit Deduction

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED April 15, 1997, STILL APPLIES.

OTHER - See comments below.

SUMMARY OF BILL

Under the Personal Income Tax Law (PITL) and the Bank and Corporation Tax Law (B&CTL), this bill would add unoccupied or abandoned dwellings to the definition of "substandard housing" for which related deductions may be disallowed.

SUMMARY OF AMENDMENT

The June 3, 1997, amendments:

- clarify that substandard housing includes dwellings unoccupied or abandoned for at least 90 days and for which a regulatory agency has determined that the housing constitutes a serious violation of state law or local codes dealing with health, safety or building, and that constitute a threat to public health and safety; and
- make other technical changes.

Except for the amendments described above and the technical concerns, the department's analysis of the bill as amended April 15, 1997, still applies.

Technical Considerations

Subdivision (b) is intended to define substandard housing as occupied dwellings from which a taxpayer receives rental income and unoccupied or abandoned dwellings that either have not been brought into compliance or

DEPARTMENTS THAT MAY BE AFFECTED:

___ STATE MANDATE

___ GOVERNOR'S APPOINTMENT

Department Director Position:

___ S ___ O
___ SA ___ OUA
X N ___ NP
___ NA ___ NAR
___ PENDING

Agency Secretary Position:

___ S ___ O
___ SA ___ OUA
___ N ___ NP
___ NA ___ NAR
DEFER TO _____

GOVERNOR'S OFFICE USE

Position Approved ___
Position Disapproved ___
Position Noted ___

Department/Legislative Director

Date

Johnnie Lou Rosas

6/3/97

Agency Secretary

Date

By:

Date:

for which good faith efforts have not been undertaken. However, the June 3, 1997, amendments to subdivision (b) could cause confusion as to the type of dwelling impacted by the statute. Amendments 1, 2, 4 and 5 would resolve this by clarifying that substandard housing would be required to be either occupied or unoccupied or abandoned for which a notice of violation has been issued or for which good faith efforts have not commenced.

The June 3, 1997, amendments to subdivision (c)(1) under the PITL made a grammatical error in describing the tax consequences of noncompliance, removing an "of" that was necessary and failing to remove an unnecessary "of." Amendment 3 would resolve this concern.

Analyst	Colin Stevens
Telephone	845-3036
#	
Attorney	Doug Bramhall

FRANCHISE TAX BOARD'S
PROPOSED AMENDMENTS TO AB 80
As Amended June 3, 1997

AMENDMENT 1

On page 2, lines 11-12, strike "both of the following"

AMENDMENT 2

On page 2, line 13, after "(1)" insert:

Either of the following applies:

AMENDMENT 3

On page 3, amend line 27 as follows:

be filed, and (C) of a general description of the tax

AMENDMENT 4

On page 7, lines 16-17, strike "both of the following"

AMENDMENT 5

On page 7, line 18, after "(1)" insert:

Either of the following applies: